

CITY OF EL PASO, TEXAS
MAYOR AND CITY COUNCIL

JOE WARDY
MAYOR

SUSAN AUSTIN
DISTRICT 1

ROBERT A. CUSHING, JR.
DISTRICT 2

JOSE ALEXANDRO LOZANO
DISTRICT 3

JOHN COOK
DISTRICT 4

VACANT
DISTRICT 5

PAUL JOSEPH ESCOBAR
DISTRICT 6

VIVIAN ROJAS
DISTRICT 7

ANTHONY W. COBOS
DISTRICT 8

JOYCE A. WILSON
CITY MANAGER

CITY OF EL PASO FY 2005 BUDGET

TABLE OF CONTENTS

PREFACE

| | |
|----------------------------------|-----|
| Letter of Transmittal..... | i |
| Strategic Plan Summary..... | v |
| Representative District Map..... | ix |
| Budget Staff..... | xi |
| Acknowledgements | xiv |

INTRODUCTION

| | |
|--|---|
| How to Make the Most of This Document..... | 1 |
| Vision Statement | 2 |
| Mission Statement..... | 2 |
| City Organizational Chart | 3 |
| Roster of Department Directors..... | 4 |
| Boards and Committees | 5 |
| Service Statistics | 7 |

COMMUNITY PROFILE

| | |
|---------------------------|----|
| Location and History..... | 9 |
| Population | 11 |
| Demographics | 12 |
| Economy | 16 |
| El Paso Employers | 17 |
| Cost of Living..... | 23 |
| Income | 25 |
| International Trade | 26 |
| Retail Sales | 29 |
| Property Tax..... | 31 |
| Sales and Use Tax | 32 |
| Culture | 33 |
| Climate | 34 |
| Local Attractions | 37 |

FISCAL OVERVIEW

| | |
|---|----|
| Tax Parcel Analysis | 43 |
| General Fund Budget Comparison..... | 44 |
| Tax Information..... | 45 |
| Certified Assessed Valuation..... | 46 |
| Schedule of Assessed Value and Tax Rate | 47 |
| Debt Administration | 48 |
| Debt Requirements..... | 49 |
| Adopted Positions Summaries..... | 50 |
| Budget Preparation Process..... | 54 |
| Budget Process | 55 |
| Budget Policies..... | 57 |
| Financial Policies..... | 61 |
| Governmental Funds | 62 |
| Basis of Accounting | 64 |
| Basis of Budgeting..... | 64 |

FINANCIAL SUMMARIES

| | |
|---|----|
| Consolidated Summaries | |
| All Funds Revenue by Source | 65 |
| All Funds Appropriations Summary by Department..... | 66 |
| All Funds Appropriations Summary by Function..... | 67 |
| All Funds Appropriations Summary By Character | 68 |

| | |
|--|-----|
| Revenue and Expenditure Summary Narrative | 69 |
| Revenue Assumptions | 72 |
| Major Revenue Sources Detail..... | 75 |
| General Fund Revenue Summary by Source..... | 81 |
| General Fund Appropriations Summary by Department..... | 82 |
| General Fund Appropriations Summary by Function | 83 |
| General Fund Appropriations Summary by Character..... | 84 |
| Major Subfund Summaries Narrative | 85 |
| Combined Financial Statements | 87 |
| Subfund Summaries | |
| General Fund | 88 |
| Convention and Performing Arts | 89 |
| Parks & Recreation User Fee Fund | 90 |
| Texas Dept of Health..... | 92 |
| Community Development Block Grant | 93 |
| Airport Operating..... | 94 |
| Public Transit – Sun Metro General Operations | 95 |
| Solid Waste Management | 96 |
| International Bridges | 97 |
| Fleet Services | 98 |
| Purchasing/Quick Copy Fund..... | 99 |
| Self-Insurance Restricted Funds | 100 |
| Airport Capital Projects..... | 101 |
| Debt Service..... | 102 |
| Appropriations Summary by Primary Fund/Subfund | 104 |

OPERATING BUDGET DETAIL

CITY/COUNTY HEALTH DISTRICT

| | |
|--------------|-----|
| Health | 109 |
|--------------|-----|

GENERAL GOVERNMENT

| | |
|--------------------------------------|-----|
| Mayor and Council | 127 |
| City Attorney's Office..... | 131 |
| Office of Management and Budget..... | 135 |
| Human Resources..... | 141 |
| Municipal Clerk..... | 151 |
| Department of City Manager | 157 |
| Information Technology..... | 161 |
| Economic Development | 169 |

FINANCIAL AND ADMINISTRATIVE SERVICES

| | |
|---|-----|
| Financial and Administrative Services | 175 |
| Comptroller..... | 179 |
| Tax | 185 |
| Purchasing | 189 |

PUBLIC SAFETY

| | |
|--------------|-----|
| Police | 197 |
| Fire | 207 |

MUNICIPAL SERVICES

| | |
|-------------------------------------|-----|
| Municipal Services – DCM | 225 |
| Municipal Services Department | 229 |
| Street..... | 235 |
| Solid Waste Management | 245 |
| Fleet Services | 253 |

BUILDING AND PLANNING SERVICES

| | |
|---------------------------------------|-----|
| Building and Planning Services | 259 |
| Planning | 263 |
| Engineering | 271 |
| Building Permits and Inspections..... | 281 |

QUALITY OF LIFE SERVICES

| | |
|--------------------------------|-----|
| Quality of Life Services | 289 |
| Parks and Recreation | 293 |
| Zoo | 301 |
| Library | 309 |
| Museums | 319 |
| Arts and Culture | 333 |
| Community Development | 343 |

TRANSPORTATION SERVICES

| | |
|----------------------------------|-----|
| Public Transit - Sun Metro | 359 |
| Airport | 365 |

METROPOLITAN PLANNING ORGANIZATION

| | |
|---|-----|
| Metropolitan Planning Organization..... | 375 |
|---|-----|

NON-DEPARTMENTAL

| | |
|------------------------|-----|
| Non-Departmental | 379 |
|------------------------|-----|

CAPITAL IMPROVEMENTS

| | |
|---|-----|
| Capital Improvement Plan | 385 |
| Capital Improvement Projects by Funding Source..... | 389 |
| Five-Year Capital Improvement Plan | 390 |
| Capital Improvement Plan Summary – FY 2005..... | 394 |
| FY 2005 Capital Improvement and Estimated Operating Budget Impact | 397 |
| Capital Improvement Plan Summary – FY 2006..... | 403 |
| FY 2006 Capital Improvement and Estimated Operating Budget Impact | 405 |
| Capital Improvement Plan Summary – FY 2007..... | 411 |
| FY 2007 Capital Improvement and Estimated Operating Budget Impact | 413 |
| Capital Improvement Plan Summary – FY 2008..... | 416 |
| FY 2008 Capital Improvement and Estimated Operating Budget Impact | 417 |
| Capital Improvement Plan Summary – FY 2009..... | 419 |
| FY 2009 Capital Improvement and Estimated Operating Budget Impact | 420 |

APPENDIX

| | |
|---|-----|
| Budget Resolution | 423 |
| Schedule A – Changes from Proposed | 429 |
| Schedule B - Staffing Changes from Proposed | 438 |
| Ordinance Levying Taxes | 442 |
| Glossary of Terms | 443 |

JOE WARDY
MAYOR

JOYCE WILSON
CITY MANAGER



CITY COUNCIL

SUSAN AUSTIN
DISTRICT NO. 1

ROBERT A. CUSHING Jr.
DISTRICT NO. 2

JOSE ALEXANDRO LOZANO
DISTRICT NO. 3

JOHN COOK
DISTRICT NO. 4

PAUL J. ESCOBAR
DISTRICT NO. 5

VIVIAN ROJAS
DISTRICT NO. 7

ANTHONY COBOS
DISTRICT NO. 8

October 28, 2004

Members of City Council and Residents of El Paso,

The fiscal year 2005 budget process was a challenging experience for City officials faced with growing demands for City services, new funding commitments driven by the 2000 Quality of Life bond projects, increasing operating costs, and limited resources for future obligations.

Despite these obstacles there are still many significant challenges ahead for the City of El Paso. Foremost among them will be the transitional process resulting from the Charter Election of February 2004, which changes the structure of our City government from a Strong Mayor to a City Manager, and secondly, critical decisions regarding the future allocation of resources to City services.

There were many notable accomplishments during the previous fiscal year that have set the groundwork for our upcoming challenges. The City entered into a contractual agreement with an engineering firm to expedite the completion of the 2000 Quality of Life bond projects and our commitment has shown positive results. During this fiscal year and next, most of these projects will have reached completion, and the City has begun funding operating budget resources to support the maintenance and operations of new facilities and parkland.

Success on Parks and Recreation capital projects has been most evident to date. The Hilos de Plata Senior Center and associated Aquatics Center opened in May; the Multipurpose Center was reopened after an extensive renovation that enlarged the center to provide therapeutic recreation for El Paso's special needs population and renovated the associated aquatics facility (T&I pool); the Blackie Cheser Park expansion was completed, which added about thirty acres of parkland and created a new Five-Plex sports complex for use by the City's growing sports program; and the City added 115.34 total acres of parkland, of this, 50.32 acres were developed with turf and 20 acres are natural landscape.

The new Doris Van Doren Regional Library Branch has been completed and will be open to the public this fall. The renovation and expansion of the downtown Main Library is underway, and when completed will be alongside the new History Museum, which is being built on the same property. Construction of the new Eastside Regional Library Branch and renovation of the Lower Valley Library and Memorial Park Library Branch's are also projected for completion this fiscal year.

The Sea Lion exhibit at the El Paso Zoo was completed this past year and has already made an impact with increased admissions. The City anticipates progress on the renovation of existing exhibits, the construction of support facilities, and preliminary construction on the new Africa Expansion and parking facility at the Zoo this year as well.

Last February the voters of El Paso approved general obligation bonds that, among other things, will provide them with four new fire stations over the next several years and \$79 million worth of improvements to alleys, pedestrian ways, sidewalks, median openings, intersections, streetscaping, street lighting, signage, right of way protection, storm drainage improvements, street improvements, flood control, and drainage projects.

In addition to our Capital Improvement Plan progress, there have been other notable accomplishments by City departments during the past year that will have long-term benefits to our citizens and future budget commitments. Among them, last August the Police department completed a training academy, which for the first time included trainees from both the El Paso Police Department and other law enforcement agencies in our area. The success of this program laid the groundwork for similar programs in the future that can consolidate resources of multiple agencies for a common cause, thus saving taxpayer's money.

This past year the Fire department underwent a comprehensive ISO Public Protection Classification audit evaluating citywide fire safety and fire fighting resources. The City was upgraded from a Level Three to a Level One, which is the highest rating possible. Few cities in Texas have obtained this rating, and it will impact every property owner in El Paso as it equates to a residential insurance rate savings of 8.2% and a commercial insurance rate savings of 4%.

Although the accomplishments of City departments this past year have been substantial, the budget remains a serious issue and many difficult decisions lie ahead. The budget strategy for 2005 was finding the best option for the City to meet its ambitious goals and maximize the quality of its services. The objectives were to avoid a tax increase by finding efficiencies within our current budget, raising fees and fines wherever feasible, and utilizing less fund balance than in previous years.

Some difficult decisions were made during the fiscal year 2005 budget process through the elimination of positions and reductions to budget line items in all departments, but the process of reducing costs and building fund balance reserves will be an ongoing one extending through this fiscal year and beyond. A future budget goal of the City is to balance the budget without the use

of fund balance and establish reserves to a level that would fund one month of City cost obligations. This will help the City retain its current excellent bond ratings from Moody's and Standard and Poor's and will allow for lower interest rates on the repayment of future debt.

Before the budget process began, City budget staff began the process of examining all revenue line items in the City's general fund seeking opportunities for increases and revisions. As a result, fees were revised and increased by City Council for bridge crossings, ambulance transfers, and Municipal Court fines. A combination fee for building permits and inspections was created to replace a previous complex fee structure, and Health District fees were increased for food permits and inspections, animal impoundments, and rabies licensing.

In addition to analyzing all revenues, budget staff also revised a comprehensive five-year budget projection that includes all cost driving variables in the City currently under policy direction in order to examine the impact of our current commitments over the long term. Analysis of this projection confirms that in order to maintain a sound financial position in the future, there are difficult budget decisions ahead.

The fiscal year 2005 budget includes All Funds appropriations of \$554,424,259, General Fund appropriations of \$264,708,188, and 6,200.09 full time equivalent employees in thirty-four departments. The property tax rate for the fiscal year 2005 budget is \$.696677 per \$100 of assessed valuation, of which \$.524662 is designated for maintenance and operations and \$.172015 is designated for debt service.

The strategic initiatives of this budget are to emphasize the City's commitment towards the completion of the 2000 Quality of Life Bond Projects and enhance services to the City's neighborhoods; to help us remain one of the safest large cities in the country; and find efficiencies in government that will help us meet our future cost demands without the burden of a tax increase.

Among the many goals of this budget, public safety is addressed through scheduled Police and Fire training academies to offset attrition and staff new fire stations; with an effort to recruit and train Certified Firefighters and Certified Police Officers from other cities and to produce another consolidated Police academy in 2005.

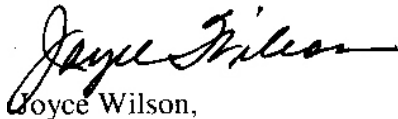
Neighborhoods are addressed with the operational funding for new Parks and Recreation facilities and parkland, and staffing for a new Library branch. The Street department will be administering bond money to enhance the quality of our streets and the Solid Waste Management department is being reorganized to improve the quality of services to El Paso households.

Through the effective use of strategic planning and management of our resources the City can avoid potentially drastic budget adjustments in the future. This will put us in a better position to meet our growing service demands, maintain a solid financial foundation, and move forward

towards achieving our strategic vision, of "establishing El Paso as the premier community of the Southwest."

The Mayor and City Council are to be commended for their courage and leadership during a period of tremendous change. They brought forward significant Charter amendments that will dramatically reshape the El Paso City government in years to come, while still addressing the community's priorities and fiscal constraints during a very difficult budget process.

Respectfully,

A handwritten signature in black ink, appearing to read "Joyce Wilson", written in a cursive style.

Joyce Wilson,
City Manager

Strategic Plan Summary for El Paso, Texas

The City Strategic Plan sets forth a set of priorities for the City of El Paso and provides the framework for strategic planning to guide the City's resources and focus its attention towards results.

The development of the fiscal year 2005 budget was driven by three influences; the strategic plan of the City, the policy initiatives of the Mayor and Council; and available public resources.

Upon the adoption of the fiscal year 2005 budget, the Mayor and City Council concentrated budget resources towards three focus areas:

- Neighborhoods
- Public Safety
- Efficiencies in Government

In light of the difficult budget year ahead, having these defined priorities for the City is of particular importance. This will enable City resources to be organized more effectively to accomplish Council priorities. Setting these focus areas and identifying associated projects and programs will assist in the direction of limited resources and clarify to the public and to City staff the results that the Mayor and Council believe are important to achieve.

Planning strategically is not new to the City, but recent changes in City political leadership and organizational structure have influenced the City's strategic plan in recent years.

Despite recent changes, the City's Strategic plan continues to be the impetus of its new management

structure. The plan, as documented in "*A Municipal Strategic Plan for El Paso, Texas*", is an alignment of the City's resources and activities with the guidance from the citizens of El Paso and their government organization.

It provides a common basis for the evaluation of performance through communication of expectations and performance measures that are identified in this fiscal year 2005 budget book. The City's strategic plan identifies the vision of the City as, "*To establish El Paso as the premier community of the Southwest*". This defines how City administration wishes to be perceived by its residents, customers, and persons visiting and working in the community.

This vision is the foundation of the City's mission, which is designed to communicate an expectation that the services and programs exist to serve its citizens and community for the purpose of improving their quality of life. The mission statement of the City is "*To create a more vibrant, harmonious and sustainable City by building on existing strengths, exploring new opportunities, fostering regional partnerships and responding to change*".

The City of El Paso believes that the manner in which services and programs are delivered is critical to achieving its vision. Because of this, the organizational culture of the City must foster core values of integrity, leadership, innovation, commitment, and teamwork.

Strategic objectives are the focal point of this budget, and wherever feasible budget resources were applied for intended outcomes. In the case of neighborhoods, both budget resources and public policy initiatives are focused towards enhancement and improvement.

Strategic objectives for the City's neighborhoods include maintaining and strengthening human connections within neighborhoods; encouraging inclusive participation; fostering safety; strengthening neighborhood leadership; and encouraging a greater sense of community stewardship.

During fiscal year 2004, Mayor Wardy initiated a policy objective to strengthen the involvement of neighborhoods in the business of City government through the **Neighborhoods First** initiative. This program is among the most progressive initiatives to come out of City Hall in recent years as a genuine investment for the residents of El Paso.

Neighborhoods First recognizes the importance of neighborhood associations through a city ordinance passed by City Council in December of 2003.

This ordinance allows neighborhood groups the opportunity to organize, promote community leadership, identify neighborhood needs, and facilitate contact information with City Representatives, the Planning department and other departments and services related to neighborhoods.

This initiative gives the residents of El Paso an equitable voice within the decision making process at City Hall. As issues and needs surface within neighborhoods, residents now have the means to communicate their concerns through the services of this initiative.

The fiscal year 2005 budget addresses the importance of neighborhoods with increased capital and operating budget funding

to services that directly impact the quality of life in City neighborhoods.

Another strategic objective for enhancing neighborhoods is to invest public funding and encourage private investment to enhance the appearance and livability of the City's neighborhoods.

During fiscal year 2004 the citizens of El Paso voted favorably in a general obligation bond election to improve neighborhoods. Included in this election were propositions to acquire and improve land for park and recreational purposes; to design, construct and improve storm water drainage; to resurface and expand streets, alleys, pedestrian ways, sidewalks, and median openings; to improve streetscaping, street lighting, signage, and right of way protection; to acquire land and construct new fire stations; and to acquire and renovate library branches.

These capital improvement projects will extend through fiscal year 2005 and beyond, but other newly completed projects from the 2000 Quality of Life bond election will be available to the public during fiscal year 2005.

Funding is included in this budget to operate and maintain the new Doris Van Doren Regional Library, which will be opened in the fall of 2005. This includes an additional 10.89 staffing positions and operating and material support resources. Due to the recent completion of many of the Parks and Recreation projects, 31 new positions were added to the Parks and Recreation department staffing tables in order to maintain additional parkland and to operate new recreation facilities. Included in these additional budget resources are an increased allocation for watering the parks and an increase to groundskeeping contracts.

The strategic initiative for public safety is another critical public policy concern for the citizens of El Paso and is a key component

of the fiscal year 2005 budget plan. The City's strategic objectives regarding public safety are to preserve life and property and provide a safe community for all residents.

The City of El Paso has been rated the second safest large city in the United States, and has been ranked in the top three of this list for seven years in a row.

The El Paso Police Department has received national recognition for many of its innovative programs. The International Association of Chiefs of Police (IACP) recognized the Department last year with the Community Policing Award acknowledging reductions in crime and established partnerships within the community that were responsible for this downward crime trend.

The El Paso Fire Department has received the highest Public Protection Classification (PPC) rating awarded by the Insurance Services Office (ISO). ISO classifies communities from 1 to 10. Communities with the best systems for water distribution, fire department equipment and firefighting personnel, and fire notification facilities receive a rating of 1. A PPC rating has a direct bearing on the cost of property insurance for every home and building in a community.

El Paso joins Plano, Frisco, Wylie, Houston, and Tomball as the only communities in Texas with PPC ratings of "1".

The strategic objectives of public safety were reiterated in the 2004 General Obligation bond election as voters approved the capital acquisition of new fire rescue

equipment, the construction of four new fire stations, and the purchase of a new public safety communication system.

The fiscal year 2005 budget includes resources allocated for two Fire training academies and two Police training academies. Both departments will hold a regular six-month training academy. In addition to these regular training academies, both departments initiated innovative training programs that will be repeated in during fiscal year 2005.

The Fire department will hold an academy for firefighters previously certified in structural firefighting, and the Police department will hold a consolidated training academy with other law enforcement agencies in this region.

A critical component of strategically planning the future of City services is remaining mindful of the need for an efficient and effective government. The City has three basic strategic objectives to accomplish this. First, the City intends to position itself to provide the highest level of customer service possible to residents and the community. Second, through preparation and training of the workforce, the City will align staff resources with its organizational priorities. Third, through fiscal responsibility the City will optimize and streamline the organizational process to ensure quality services.

The City's strategic goals of fiscal responsibility are to produce a balanced budget without having to use fund balance, and to build fund balance reserves up to a level where the City has sufficient funds to cover one month of normal cost obligations in case of a major event. This will ensure the City's long-term financial stability and will help maintain its excellent bond ratings with Moody's and Standard and Poor.

In the fiscal year 2005 budget, efficiencies were found in various ways. Seventy

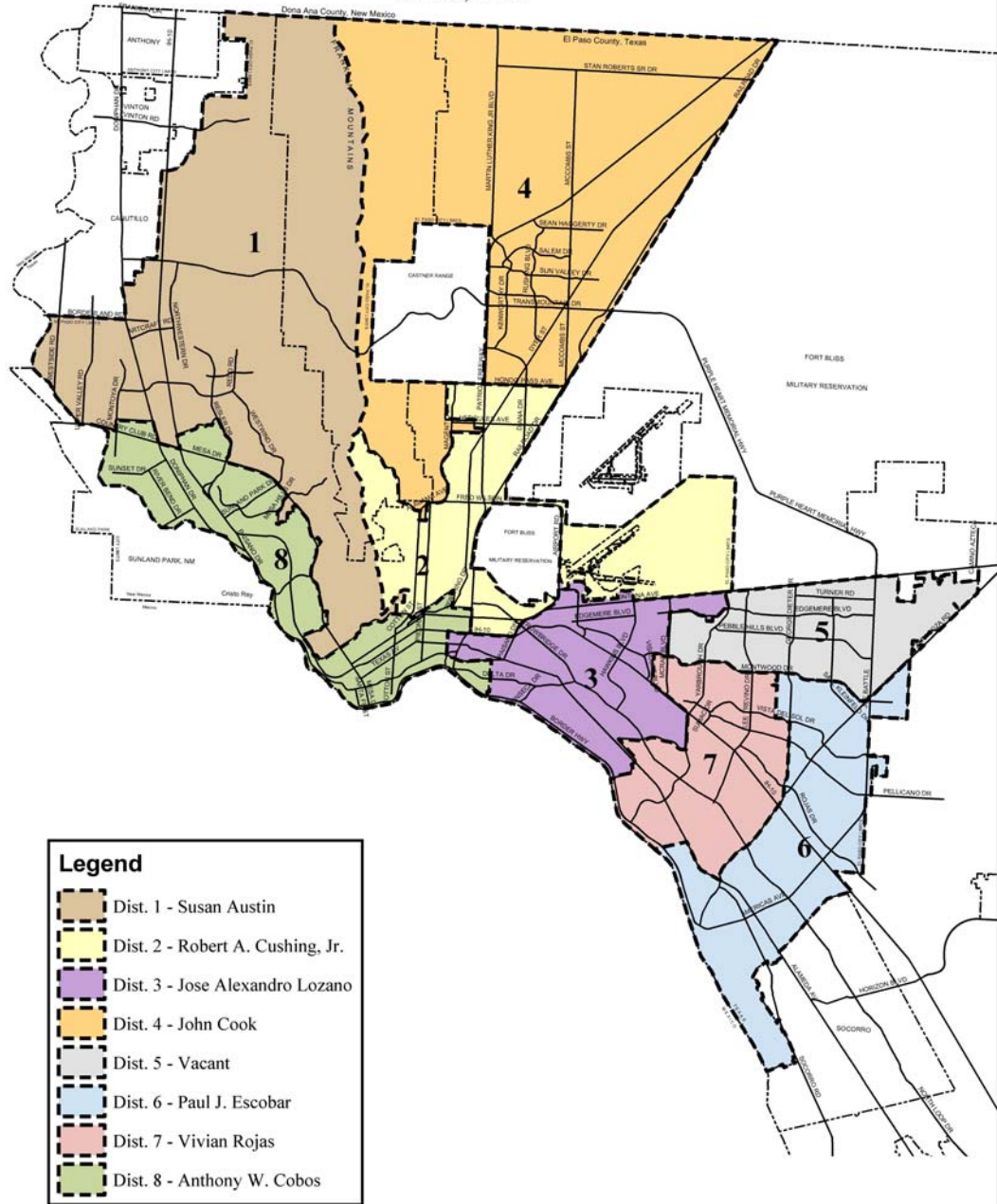
positions were deleted that have been historically vacant; thirty filled positions were eliminated and incumbents were transferred to other positions in the City; some positions of the same job class were moved to departments that focus on their specialty, i.e. Planners were moved to the Planning Department, Engineering Techs and Engineers were moved to Engineering Department; and some divisions of departments were moved as well to specializing departments, i.e. the Engineering Special Projects division of Municipal Services moved to Engineering.

The City's most effective option for funding its current and future commitments is to ensure budget resources are utilized in a responsible and efficient manner.

Through effective use of the budget process and efficient management of resources, the City of El Paso intends to carry out the objectives of its strategic plan and work towards the accomplishment of the vision of the City.

Efficiencies in government are a key ingredient to meeting the City's short term and long strategic objectives because growth of budget resources is expected to remain stagnant while costs are expected to rise.

Representative Districts El Paso, Texas



OFFICE OF MANAGEMENT AND BUDGET STAFF

DAVID R. ALMONTE
OMB DIRECTOR

IRENE R. HERNANDEZ
ASSISTANT DIRECTOR

RAUL A. ESCOBEDO
SENIOR BUDGET &
MANAGEMENT ANALYST

CECILIA BERTOLLI
BUDGET &
MANAGEMENT ANALYST II

ALICIA H. DIAZ
BUDGET SPECIALIST

RICHARD BRISTOL
SENIOR BUDGET &
MANAGEMENT ANALYST

MICHAEL W. PLUM
BUDGET &
MANAGEMENT ANALYST

AUDREY MUELLER
BUDGET SPECIALIST

MARY ANN GALLEGOS
ADMINISTRATIVE ANALYST

SUE B. POWELL
BUDGET SPECIALIST



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of El Paso
Texas**

For the Fiscal Year Beginning

September 1, 2003

President

Executive Director

Helpful Phone Numbers

OFFICE OF THE MAYOR - (915) 541-4145 - Fax: 541-4501

JOE WARDYMayor of El Paso

OFFICE OF THE CITY MANAGER – (915) 541-4109 – Fax: 541-4866

JOYCE WILSON.....City Manager

CITY COUNCIL - (915) 541-4145 - Fax: 541-4501

SUSAN AUSTIN, Representative District 1(915) 541-4886

ROBERT A. CUSHING, JR., Representative District 2.....(915) 541-4416

JOSE ALEXANDRO LOZANO, Representative District 3 ... (915) 541-4515

JOHN COOK, Representative District 4(915) 541-4140

VACANT, Representative District 5(915) 541-4701

PAUL J. ESCOBAR, Representative District 6(915) 541-4182

VIVIAN ROJAS, Representative District 7.....(915) 541-4124

ANTHONY W. COBOS, Representative District 8(915) 541-4268

FINANCIAL SERVICES - (915) 541-4011 - Fax: (915) 541-4760

WILLIAM A. CHAPMAN.....Deputy City Manager-Financial Services

OFFICE OF MANAGEMENT AND BUDGET - (915) 541-4011

Fax: (915) 541-4760

DAVID R. ALMONTE Director

Irene R. Hernandez.....Assistant Director

Richard J. Bristol.....Senior Budget and Management Analyst

Raul Escobedo.....Senior Budget and Management Analyst

Mary Ann Gallegos.....Administrative Analyst

Cecilia Bertolli.....Budget and Management Analyst II

Michael W. PlumBudget and Management Analyst

Alicia H. Diaz.....Budget Specialist

Audrey Mueller.....Budget Specialist

Sue B. Powell.....Budget Specialist

TAX OFFICE - (915) 541-4054 - Fax: (915) 541-4116

JUAN SANDOVALTax Assessor – Collector

ACKNOWLEDGEMENTS



DEPARTMENT OF ECONOMIC DEVELOPMENT
DEPARTMENT OF PLANNING RESEARCH AND DEVELOPMENT
DEPARTMENT OF TAX
SUN BOWL ASSOCIATION